CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
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## MEMORA NDUM

SUBJECT: Current Situation and Prospects in Yemen

1. Fighting in Yemen has been at a very low level for some months. Neither the Egyptians nor the royalists have shown much initiative. Egypt continues to maintain between 30,000 and 32,000

troops in Yemen.

The Egyptians are still unable to penetrate certain mountain areas or break the guerrilla fighting ability of the northern and eastern tribes. Saudi Arabia continues to respect its side of the disengagement agreement.

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2. The Sallal regime, backed by Egyptian arms and money, has managed to keep control over the southern and western two-thirds of the country--areas largely unaffected by the fighting. However, there has been no substantial progress toward broadening the base of the regime, primarily because Cairo has been unwilling to sanction changes wanted by the Yemenis. The Yemenis so far have been wary of making moves which might turn the Egyptians against them. There nevertheless is a growing dislike among Yemenis of Egyptian heavy-handedness and tendency to take over even details of local administration. On 14 December the Yemeni presidential and executive councils resigned, reportedly because of "general indignation" over Egyptian interference.

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- 3. The large Egyptian presence in Yemen makes it unlikely that there will be an early, radical change in the power balance inside the country, even though increasing friction between Yemenis and Egyptians may eventually lead some important supporters of the republic to defect along with their tribal followers to the anti-regime northern tribes. It is also unlikely that a political settlement which is broadly acceptable within Yemen can be achieved unless Egyptian influence and presence is drastically reduced, and unless a government is formed which would give more weight to traditional tribal elements.
- 4. Nasir would probably still like to reduce his commitment in Yemen--which has cost him about \$50-75 million to date. However, he apparently feels he cannot do so without risking unacceptable losses. He realizes that an abrupt withdrawal of UAR forces would lead to the collapse of the republican regime and probably result in virtual chaos in Yemen. He apparently fears that a broadened government might turn against the Egyptians. As a consequence, he has tended to stand pat and avoid risky moves, hoping that a way out would in time turn up.

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